



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter

Governor

Dee C. Hansen

Executive Director

Dianne R. Nielson, Ph.D.

Division Director

355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

Certified Return Receipt
P 074 978 850

March 20, 1992

Ms. Susan L. Valentine
Corporate Risk Management Assistant
Holnam Incorporated
6211 Ann Arbor Road
P. O. Box 122
Dundee, Michigan 48131

Dear Ms. Valentine:

Re: Reclamation Contract and Surety, Holnam, Incorporated, Poverty Point, M/045/012,
Tooele County; Devil's Slide Quarry, M/029/001, Morgan County, Utah

Thank you for providing the Reclamation Contracts and Surety forms for the Poverty Point and Devil's Slide Quarries, which were received in this office February 13, 1992. There are several errors on the forms which need to be corrected before we can submit them to the Board of Oil, Gas and Mining (Board) for their approval.

We have taken the liberty of filling out the contracts and sureties with information we have available. Please review the information for correctness, provide the missing information as noted, get proper signatures and return them to this office. Special notice should be given to page 4 of the Surety (Exhibit B) where Virginia L. Townsend has signed the surety as the Attorney-in-Fact. The Division needs evidence that the designation of attorney-in-fact for the subject property has been filed and recorded in the county where the land is located.

Please find the original Reclamation Contracts and Surety forms enclosed. We will not be able to release the existing surety bonds until the new sureties and reclamation contracts are in place and have been approved by the Board. Bond cancellation notices for the Safeco bonds have been received by the Division. Safeco has been informed that we cannot cancel the old bonds until the new forms of surety have been approved by the Board.

In order to present these matters to the Board for their approval during the April Board Hearing, the Division will need to receive this information no later than Friday, April 3, 1992.

Page 2
Holnam, Inc.
M/029/001 and M/045/012
March 20, 1992

Thank you for your cooperation in completing this permitting issue. Please contact me if you have any questions.

Sincerely,

A handwritten signature in cursive script, reading "Anthony A. Gallegos". The signature is written in dark ink and is positioned above the printed name and title.

Anthony A. Gallegos
Reclamation Engineer

jb
Enclosures
cc: Elizabeth Nick, Safeco Insurance
M029001

6211 Ann Arbor Road
P.O. Box 122
Dundee, Michigan 48131
313/529-2411
Fax 313/529-5368

HOLNAM INC

M/029/001

AND M/045/012

February 3, 1992

Mr. D. Wayne Hedberg
Permitting Supervisor
State of Utah
Department of Natural Resources
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Re: Holnam Inc/Devils Slide
Reclamation Bond
Replacement Bond No. /Prior Bond No.
Replacement Bond \$147,800.00/Prior Bond \$141,000.00
Replacement Bond No. /Prior Bond No.
Replacement Bond \$14,500.00/Prior Bond \$13,900.00

Dear Mr. Hedberg:

Enclosed please find the above captioned replacement bond.

We have consolidated all of our surety bond business with the St. Paul Insurance Company. If you find everything in order, please release the prior bond as soon as possible.

Thank you for your cooperation and should you have any questions please feel free to call me at 313-529-2411, ext. 2566.

Sincerely,



Susan L. Valentine
Corporate Risk Management Assistant

RECEIVED

FEB 13 1992

DIVISION OF
OIL GAS & MINING

*Copy of
original study
3-20-92*

File Number

Effective Date 3-23-92

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

RECEIVED

FEB 13 1992

DIVISION OF
OIL GAS & MINING

RECLAMATION CONTRACT
---00000---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)
(Mineral Mined)

ACT/029/001

LIMESTONE AND SANDSTONE

"MINE LOCATION":

(Name of Mine)
(Description)

DEVIL'S SLIDE PLANT QUARRY

NORTH OF INTERSTATE I-80 IN SEC 19

T.4N., R. 4E. and the E/2 E/2 Sec. -24

T.4N., R. 3 E., Morgan County, Utah

"DISTURBED AREA":

(Disturbed Acres)
(Legal Description)

239 Acres

(refer to Attachment "A")

"OPERATOR":

(Company or Name)
(Address)

HOLNAM INC

P.O. Box 122

Dundee, MI 48131

(Phone)

313-529-2411

"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

(Phone)

HOLNAM INC

L. B. Giles

6055 East Croydon Road

Morgan, Utah 84050

801-829-6821

"OPERATOR'S OFFICER(S)":

Marc VonWyss President & CEO

Paul Yhouse CFO, Vice President & Treasurer

Robert J. Moir V.P. General Counsel

"SURETY":

(Form of Surety - Exhibit B)

Already on Record State Office

See Attached Letter

"SURETY COMPANY":

(Name, Policy or Acct. No.)

St. Paul Fire and Marine Insurance Company

#1

"SURETY AMOUNT":

(Escalated Dollars)

\$147,800

"ESCALATION YEAR":

1997

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

EXHIBITS:

A "DISTURBED AREA":

B "SURETY":

Revision Dates:

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between HOLNAM the "Operator" and the Utah State Board of Oil, Gas and Mining ("Board").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. ACT/029/001 which has been approved by the Utah State Division of Oil, Gas and Mining "Division" under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Board and the Operator agree as follows:


1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the Notice of Intention, and the Reclamation Plan. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Exhibit B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Board in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Board. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections

are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the (Board) that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The (Board) shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Division, or Board, as appropriate, may revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.

13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

SO AGREED this 10 day of FEBRUARY, 19 92.


Operator HOLNAM Inc, L.B. Giles, Plant Manager

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

BY _____
James W. Carter, Chairman
Utah State Board of Oil, Gas and Mining

DIVISION OF OIL, GAS AND MINING:

By _____
Dianne R. Nielson, Director

Date

STATE OF _____)
COUNTY OF _____) ss:

On the _____ day of _____, 19____, personally
appeared before me, who being duly sworn did say that he/she, the said
_____ is the Director of the Division of Oil,
Gas and Mining, Department of Natural Resources, State of Utah, and he/she duly
acknowledge to me that he/she executed the foregoing document by authority of law
on behalf of the State of Utah.

Notary Public
Residing at: _____

My Commission Expires:

OPERATOR:

HOLNAM INC

Operator Name

By Robert J. Moir - V.P. General Counsel
Corporate Officer - Position

1-29-92
Date

Robert J. Moir

Signature

STATE OF Michigan)
COUNTY OF Monroe) ss:

On the 29th day of January, 19 92, personally
appeared before me Susan L. Valentine who
being by me duly sworn did say that he/she, the said Robert J. Moir
is the V.P. - General Counsel of Holnam Inc
and duly acknowledged that said instrument was signed on behalf of said company
by authority of its bylaws or a resolution of its board of directors and said
Robert J. Moir duly acknowledged to me that said
company executed the same.

Susan L. Valentine
Notary Public
Residing at: Monroe County

SUSAN L. VALENTINE
Notary Public, Monroe County, MI
My Commission Expires 10-21-95

My Commission Expires:

SURETY:

ST. PAUL FIRE AND MARINE INSURANCE COMPANY
Surety Company

By Virginia L. Townsend-Attorney-in-fact
Company Officer - Position

December 10, 1991
Date

Virginia L. Townsend
Signature

STATE OF Michigan)
COUNTY OF Wayne) ss:

On the 10th day of December, 19 91, personally
appeared before me Sandra J. Topor who
being by me duly sworn did say that he/she, the said Virginia L. Townsend
is the Attorney-in-fact of ST. PAUL FIRE AND MARINE INSURANCE COMPANY
and duly acknowledged that said instrument was signed on behalf of said company
by authority of its bylaws or a resolution of its board of directors and said
Virginia L. Townsend duly acknowledged to me that said
company executed the same.

SANDRA J. TOPOR
Notary Public, Oakland County, Michigan
My Commission Expires May 8, 1995
Acting in Wayne County
My Commission Expires:

Sandra J. Topor
Notary Public
Residing at: Oakland County

NOTE: An affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Contract.

ATTACHMENT "A"

Operator HOLNAM Inc

Mine Name Devils Slide Quarry

Permit Number

ACT/029/001

MOREAU

County, Utah

The legal description of lands to be disturbed is:

EXHIBIT B

MR FORM 5

October 1991

Bond Number _____
Permit Number ACT/029/001
Mine Name Devil's Slide

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

THE MINED LAND RECLAMATION ACT

SURETY BOND

The undersigned HOLNAM INC
as Principal, and ST. PAUL FIRE AND MARINE INSURANCE COMPANY
as Surety, hereby jointly and severally bind ourselves, our heirs, administrators,
executors, successors, and assigns, jointly and severally, unto the State of Utah, Division
of Oil, Gas and Mining (Division) in the penal sum of One Hundred Forty-seven Thousand
dollars (\$ 147,800.00). Eight Hundred and no/100-----

Principal has estimated in the Mining and Reclamation Plan approved by the
Division on the 10 day of FEBRUARY, 1992, that _____
acres of land will be disturbed by mining operation in the State of Utah.

A description of the disturbed land is attached hereto as "Attachment 1"

The condition of this obligation is that if the Division determines that Principal
has satisfactorily reclaimed the disturbed lands in accordance with the approved Mining
and Reclamation Plan and has faithfully performed all requirements of the Mined Land
Reclamation Act, and complied with the Rules and Regulations adopted in accordance
therewith, then this obligation shall be void; otherwise it shall remain in full force and
effect.

If the Mining and Reclamation Plan provides for periodic partial reclamation of
the disturbed lands, and if the lands are reclaimed in accordance with such Plan, Act
and regulations, then Principal may apply for a reduction in the amount of this Surety
Bond.

Bond Number _____
Permit Number _____
Mine Name _____

In the converse, if the Mining and Reclamation Plan provides for a gradual increase in the area disturbed or the extent of disturbance, then, the Division may require that the amount of this Surety Bond be increased, with the written approval of the Surety.

This bond may be canceled by Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal to be performed prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

Date 1-29-92

HOLNAM Inc
Principal (Permittee)

By (Name typed): Robert J. Moir

Title: V.P. General Counsel

Signature: Robert J. Moir

Date 12-10-91

ST. PAUL FIRE AND MARINE INSURANCE COMPANY
Surety

By (Name typed): Virginia L. Townsend

Title: Attorney-in-fact

Signature: Virginia L. Townsend

Page 3
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Exhibit B

Bond Number _____
Permit Number _____
Mine Name _____

SO AGREED this _____ day of _____, 19____.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

James W. Carter, Chairman
Utah State Board of Oil, Gas and Mining

*NOTE: Where one signs by virtue of Power of Attorney for a Surety, such Power of Attorney must be filed with this bond. If the Operator is a corporation, the bond shall be executed by its duly authorized officer.

AFFIDAVIT OF QUALIFICATION

Virginia L. Townsend, being first duly sworn, on oath deposes and says that he/she is the (officer or agent) Attorney-in-fact of said Surety, and that he/she is duly authorized to execute and deliver the foregoing obligations; that said Surety is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertaking and obligations.

Signed: Virginia L. Townsend
Surety Officer

Title: Attorney-in-fact

Subscribed and sworn to before me this 29 day of January, 1992.

Andrew J. Pope
Notary Public
Residing at: Oakland County

My Commission Expires:

May 8, 1995

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Exhibit B

Bond Number _____
Permit Number _____
Mine Name _____

"ATTACHMENT 1"

Operator _____
HOLNAM Inc

Mine Name _____
Devils Slide Quarry

ACT/029/001
Permit Number

MORGAN County, Utah

The legal description of lands to be disturbed is:

For verification of the authenticity of this Power of Attorney, you may telephone toll free 1-800-328-2189 and ask for the Power of Attorney Clerk. Please refer to the Certificate of Authority No. and the named individual(s).

GENERAL POWER OF ATTORNEY - CERTIFIED COPY
(Original on File at Home Office of Company. See Certification.)

KNOW ALL MEN BY THESE PRESENTS: That **St. Paul Fire and Marine Insurance Company**, a corporation organized and existing under the laws of the State of Minnesota, having its principal office in the City of St. Paul, Minnesota, does hereby constitute and appoint:

Virginia L. Townsend, T. R. Koos, Richard E. Seaman, individually,
Detroit, Michigan

its true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise,

NOT TO EXCEED IN PENALTY THE SUM OF FIVE MILLION (\$5,000,000) EACH

and the execution of all such instrument(s) in pursuance of these presents, shall be as binding upon said **St. Paul Fire and Marine Insurance Company**, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office.

This Power of Attorney is executed, and may be certified to and may be revoked, pursuant to and by authority of Article V, Section 6(C), of the By-Laws adopted by the Shareholders of **ST. PAUL FIRE AND MARINE INSURANCE COMPANY** at a meeting called and held on the 28th day of April, 1978, of which the following is a true transcript of said Section 6(C):

"The President or any Vice President, Assistant Vice President, Secretary or Service Center General Manager shall have power and authority

- (1) To appoint Attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and
- (2) To appoint special Attorneys-in-fact, who are hereby authorized to certify to copies of any power-of-attorney issued in pursuance of this section and/or any of the By-Laws of the Company, and
- (3) To remove, at any time, any such Attorney-in-fact or Special Attorney-in-fact and revoke the authority given him."

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted at a meeting duly called and held on the 5th day of May, 1959, of which the following is a true excerpt:

"Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached."

IN TESTIMONY WHEREOF, **St. Paul Fire and Marine Insurance Company** has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, this 30th day of November, A.D. 1990.

ST. PAUL FIRE AND MARINE INSURANCE COMPANY



STATE OF MINNESOTA }
County of Dakota } ss.

David Litzkow

DAVID LITZKOW, Vice President

On this 6th day of May, 1991, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said that he/she is the therein described and authorized officer of **St. Paul Fire and Marine Insurance Company**; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his/her signature were duly affixed by order of the Board of Directors of said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the city of St. Paul, Minnesota, the day and year first above written.



Mary C. Stemper

MARY C. STEMPER, Notary Public, Dakota County, MN
My Commission Expires October 22, 1996

CERTIFICATION

I, the undersigned officer of **St. Paul Fire and Marine Insurance Company**, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, with the **ORIGINALS ON FILE IN THE HOME OFFICE OF SAID COMPANY**, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.



IN TESTIMONY WHEREOF, I have hereunto set my hand this

10th day of December, 1991.

Jerome H. Noldin
JEROME H. NOLDIN, Secretary

Only a certified copy of Power of Attorney bearing the Certificate of Authority No. printed in red on the upper right corner is binding. Photocopies, carbon copies or other reproductions of this document are invalid and not binding upon the Company.

ANY INSTRUMENT ISSUED IN EXCESS OF THE PENALTY AMOUNT STATED ABOVE IS TOTALLY VOID AND WITHOUT ANY VALIDITY.